

STATE OF ARIZONA

JANET NAPOLITANO
GOVERNOR

OFFICE OF THE GOVERNOR 1700 WEST WASHINGTON STREET, PHOENIX, AZ 85007

MAIN PHONE: 602-542-4331 FACSIMILE: 602-542-7601

May 16, 2006

The Honorable Ken Bennett President Arizona State Senate 1700 West Washington Street Senate Office Building Phoenix, Arizona 85007

Re: Senate Bill 1151: tax credits; withholding tax reductions

Dear President Bennett:

Today I vetoed Senate Bill 1151, which would have encouraged employers, upon the request of an employee, to reduce the employee's Arizona income tax withholding by the amount of the tax credit claimed by the employee based on contributions to qualified charitable organizations, public schools, or private school tuition organizations. Under the bill, employers who agree to the withholding would be required to make the contribution to the relevant organization on behalf of the employee, and could be held liable for the failure to make the full payment on a timely basis.

This bill is unnecessary. Employees already have the option to adjust their withholding percentages for any reason. Pressuring employers to reduce withholding tax amounts for specific contributions poses undue burdens on employers and their payroll service companies. Payroll management already can be complicated, and this bill could require employers to devote even more time and attention to payroll administration, which would mean less time for running their businesses.

For these and other reasons, I have vetoed Senate Bill 1151.

Yours very truly,

Janet Napolitano

Governor

JN:TN/jm

cc: The Honorable Jim Weiers
The Honorable Dean Martin

Passed the House April 11, 20 06,	Passed the Senate Jelswary 6, 2006,
by the following vote: 36 Ayes,	by the following vote:Ayes,
	Nays, 3 Not Voting
Speaker of the House Horman L. Moore Chief Clerk of the House	President of the Senate Churin Billion Secretary of the Senate
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	Secretary to the Governor
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Governor of Arizona	W ²
	EXECUTIVE DEPARTMENT OF ARIZONA OFFICE OF SECRETARY OF STATE
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S.B. 1151	this, 20,
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Passed the House May 9, 2006,	Passed the Senate May 2, 20 06,
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22 Nays, 6 Not Voting	
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Speaker, of the House	President of the Senate
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Governor of Arizona	EXECUTIVE DEPARTMENT OF ARIZONA
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